

COMMUNITY GYMS COALITION



July 14, 2021

The Honorable Bernie Sanders
Chairman
Committee on Budget
U.S. Senate
624 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Lindsey Graham
Ranking Member
Committee on Budget
U.S. Senate
624 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Sanders and Ranking Member Graham:

On behalf of America's more than 40,000 fitness facilities fighting to foster and strengthen Americans' health and fitness and as the Senate prepares to debate a budget resolution, we urge you to adopt a budget resolution that provides direct aid to distressed fitness facilities through the Small Business Administration as championed by Senator Tammy Duckworth (D-IL) and Senator Jerry Moran (R-KS) and 7 bipartisan cosponsors in S. 1613, the GYMS Act.

In March 2020, the nation's fitness facilities were ordered to shut down to halt the spread of COVID-19. In almost all states, they were the first ordered to close and the last permitted to open. Many were closed outright for six months or more. And when finally allowed to reopen, almost all could only operate under restrictions that allowed only the fortunate to break even. These restrictions extended into May and June of this year. As a result, America's fitness facilities have sustained substantial losses: the industry lost more than 58 percent - \$20 billion - of revenue, one in five fitness facilities closed permanently, and 1.4 million workers in the industry - 44 percent - lost their jobs.

Federal relief programs for small businesses did not provide sufficient support to struggling small gyms, fitness studios and fitness facilities. The Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) do not meet the cost structures of fitness facilities, and have proven to be of little benefit for most fitness facilities. The Targeted EIDL Advance, the Supplemental Targeted Advance, and state-level grant programs do not provide nearly the funding necessary to keep many owners and operators from closing their facilities due to accrued debt and deferred rent or mortgage payments.

As a result, fitness facilities across the country are still in dire need, despite the removal of most restrictions. [A survey](#) released this week of small, community gyms and fitness studios found that nearly two-thirds of gyms - 64 percent - have been forced to go into additional debt due to the pandemic, with an average of \$75,000 in new debt. Three-quarters reported that their revenue and active members have fallen compared to pre-pandemic. Eighty percent reported that they are still struggling with the long-term financial impact of the pandemic.

During the growth and peak of the pandemic, specific industries were expressly ordered to close due to public health guidance concerning the transmission of SARS-CoV-2 and the contraction of

COVID-19. While many of those directly impacted were able to avail themselves of multiple forms of relief, fitness facilities have not had that opportunity.

In the interest of saving millions of jobs, tens of thousands of small businesses, and safeguarding the health and fitness of our country, we urge you to adopt a budget resolution that provides direct aid to distressed fitness facilities through the Small Business Administration.

cc:

Senate Majority Leader Chuck Schumer

Senate Republican Leader Mitch McConnell

Senate Small Business Committee Chairman Ben Cardin

Senate Small Business Committee Ranking Member Rand Paul

Senator Tammy Duckworth

Senator Jerry Moran